

1 Stephen D. Finestone (125675)
2 Jennifer C. Hayes (197252)
3 Ryan A. Witthans (301432)
4 FINESTONE HAYES LLP
5 456 Montgomery Street, 20th Floor
6 San Francisco, California 94104
7 Telephone: (415) 616-0466
8 Facsimile: (415) 398-2820
9 sfinestone@fhlawllp.com
10 jhayes@fhlawllp.com
11 rwithans@fhlawllp.com

12 Attorneys for Creditor
13 Nor-Cal Pipeline Services

14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re
PG&E CORPORATION,
Debtor-in-Possession.

Case No. 19-30088-DM
Chapter 11
Hon. Dennis Montali

In re
PACIFIC GAS AND ELECTRIC
COMPANY,
Debtor-in-Possession.

Case No. 19-30089-DM
Chapter 11
Hon. Dennis Montali

**RESPONSE OF NOR-CAL PIPELINE
SERVICES TO CERTAIN FIRST DAY
MOTIONS**

Date: January 31, 2019
Time: 10:00 a.m.
Ctrm: 450 Golden Gate Ave., 16th Floor
San Francisco, CA 94102

Nor-Cal Pipeline Services hereby files its Response to Certain First-Day Motions and in support thereof states as follows:

On January 29, 2019, the above-captioned Debtors (the “Debtors”) filed voluntary chapter 11 bankruptcy petitions and seventeen first-day motions, including the Lien Claimants Motion (Dkt. No. 13)¹, the Operational Integrity Suppliers Motions (Dkt. No. 12), the DIP Financing

¹ All docket reference numbers are to Case No. 19-30088.

1 Motion and related Seal Motion (Dkt. Nos. 23, 25), and the NOL Motion (Dkt. No. 10).

2 1. **Lien Claimants Motion:** The Lien Claimants Motion seeks authority for the
3 Debtors to pay prebankruptcy obligations totaling \$54,700,000 owed to providers of maintenance
4 and repair services that may be permitted to assert liens (e.g. materialmen's/mechanics' liens)
5 against Debtors' property and equipment if Debtors fail to pay prebankruptcy amounts owed to
6 those parties.² Debtors seek authority to pay and discharge, on a case-by-case basis, the lien claims
7 that Debtors believe have created, or could give rise to, a lien against Debtors' property or
8 equipment, regardless of whether the lien claims arose prior to or after the bankruptcy filing date.
9 Nor-Cal Pipeline Services supports the Lien Claimants Motion so long as it encompasses the unpaid
10 work Nor-Cal Pipeline Services completed for Debtors prior to January 29, 2019, which totals
11 approximately \$1,540,527.58. Nor-Cal Pipeline Services is informed and believes that an as-yet
12 quantified portion of these unpaid, prebankruptcy sums relate to its provision of maintenance and
13 repair services to Debtors with respect to which Nor-Cal Pipeline Services may be permitted to
14 assert liens, including materialmen's and mechanics' liens against Debtors' property and equipment
15 if Debtors fail to pay these prebankruptcy amounts owed to Nor-Cal Pipeline Services. To the
16 extent the Lien Claimants Motion seeks to exclude Nor-Cal Pipeline Services from payment, Nor-
17 Cal reserves the right to object to the interim and final relief sought in such Motion and to file an
18 objection to the Lien Claimants Motion.

19 2. **Operational Integrity Suppliers Motion:** The Operational Integrity Suppliers
20 Motion seeks authority for Debtors to pay pre-bankruptcy obligations totaling \$116,200,000
21 (approx. 5.5% of Debtors' total \$2.1 billion trade debt as of the bankruptcy filing) owed to certain
22 vendors, suppliers, service providers, and the like that are deemed by Debtors to be essential to
23 protecting the public health and safety and maintaining the going-concern value and integrity of
24 Debtors' business and operations. Debtors define the "Operational Integrity Suppliers" as
25 companies that fall into three primary categories: (i) companies that provide goods and services
26 necessary for safe and reliable electric and natural gas service; (ii) companies that provide goods

27
28

² The Lien Claimants Motion also seeks authority to pay an additional \$10,800,000 to natural gas
shippers and natural gas storage facilities providers.

1 and services related to outages; and (iii) companies that provide goods and services in connection
2 with Debtors' operation and decommissioning of their nuclear reactor power units. Nor-Cal
3 Pipeline Services is informed and believes that an as-yet unquantified portion of the prebankruptcy
4 amount owed by Debtors to Nor-Cal Pipeline Services satisfies one or more of the categories
5 specified in the Operational Integrity Suppliers Motion. Nor-Cal Pipeline Services supports the
6 Operational Integrity Suppliers Motion, to the extent it encompasses those services provided to
7 Debtors by Nor-Cal Pipeline Services that fall within the scope of the Operational Integrity
8 Suppliers Motion. To the extent the Operational Integrity Suppliers Motion seeks to exclude Nor-
9 Cal Pipeline Services from payment, Nor-Cal reserves the right to object to the interim and final
10 relief sought in such Motion and to file an objection to the Operational Integrity Suppliers Motion.

11 3. **DIP Financing Motion, Seal Motion, NOL Motion:** Nor-Cal Pipeline Services is
12 unaware at this time of any objection to the DIP Financing Motion, Seal Motion, and/or NOL
13 Motion. However, in an abundance of caution, Nor-Cal Pipeline Services reserves its rights to
14 object to these Motions and the relief sought therein.

15 Dated: January 30, 2019

FINESTONE HAYES LLP

By: Jennifer C. Hayes
Jennifer C. Hayes
Attorneys for Creditor Nor-Cal Pipeline
Services